

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 91-066-C - ORDER NO. 91-365 ✓
MAY 3, 1991

IN RE: Application of U. S. Long Distance,)	ORDER GRANTING
Inc. for a Certificate of Public)	CERTIFICATE OF
Convenience and Necessity.)	PUBLIC CONVENIENCE
)	AND NECESSITY

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of an Application filed by U. S. Long Distance, Inc. (the Company or USLD) requesting a Certificate of Public Convenience and Necessity authorizing it to provide intrastate operator assisted resold telecommunications service in South Carolina. The Company is a non-facility based company which will provide its product by reselling capacity from underlying facilities based carriers. USLD seeks to provide 24-hour intrastate long distance telephone services, which includes completing calling/credit card calls, collect calls, third number billing calls and person-to-person calls, on either live or automated operator-assisted long distance telephone service. The services are designed primarily to originate at locations where callers require operator assistance or alternative billing arrangements, such as hotels/motel, hospitals, educational institutions, and public and private pay telephones.

On February 7, 1991, the Commission's Executive Director instructed the Company to cause to be published a prepared Notice of Filing once a week for two consecutive weeks in newspapers of general circulation in affected areas. The Notice of Filing indicated the nature of USLD's Application and advised all interested parties desiring to participate in the scheduled proceeding of the manner and time in which to file the appropriate pleadings. USLD furnished affidavits demonstrating that the Notice of Filing had been duly published in accordance with the instructions of the Executive Director.

A public hearing relative to the matters asserted in USLD's Application was held on April 23, 1991 at 11:00 a.m. in the Hearing Room of the Commission at 111 Doctor's Circle, Columbia, South Carolina, before the Commission with the Honorable Marjorie Amos-Frazier presiding. The Applicant appeared and was represented by B. C. Killough, Esquire and Thornton Kirby, Esquire; Carl F. McIntosh, Esquire, represented the Intervenor, South Carolina Department of Consumer Affairs; Harry M. Lightsey, III, Esquire, represented the Intervenor, Southern Bell Telephone and Telegraph Company; and F. David Butler, Esquire, represented the Commission Staff. Testimony was presented by Kenneth F. Melley, Jr. for U. S. Long Distance, Inc. No other witnesses were called.

Based on the information contained in USLD's Application, revised at the time of the hearing, as well as the evidence of the whole record before the Commission, and a stipulation made between

USLD and Southern Bell with regard to the handling of intraLATA calls attempted over USLD's network and USLD's handling of the monies generated by accidental completion of intraLATA calls, the Commission makes the following findings of fact and conclusions of law:

1. USLD is a reseller of intrastate interexchange telecommunications services.
2. USLD is incorporated under the laws of the State of Texas, but has received a Certificate from the Secretary of State to do business in South Carolina.
3. USLD has the financial resources to provide adequate telecommunications services to consumers in South Carolina.
4. Consistent with our intent to encourage greater competition in the interexchange market place as previously stated (See, Order No. 89-1015, issued October 23, 1989, in Docket No. 88-693-C), the approval of this Application will serve the public interest in that it will enhance competition.
5. The Company herein shows itself to be fit, willing, and able to provide such resale telecommunication services and that therefore it should be granted a Certificate of Public Convenience and Necessity to provide intrastate operator-assisted resold telecommunications services.
6. The Company shall block or switch to the LEC all intraLATA calls which are attempted over its network. If the Company incidentally or accidentally completes any intraLATA calls, the LEC should be compensated as ordered by the Commission

in Order No. 86-793, issued August 5, 1986, in Docket 86-187-C.

7. A rate structure incorporating a maximum rate level with the flexibility for downward adjustment has been previously adopted by this Commission. IN RE: Application of GTE Sprint Communications Corporations, etc., Order No. 84-622, issued in Docket No. 84-10-C, on August 2, 1984. The Commission herein finds that the appropriate rate structure for USLD should include a maximum rate level for each tariff charge; and that for intrastate interLATA operator-assisted and calling card calls, USLD should be required to charge operator or calling card surcharges no higher than the intrastate charges then currently approved for AT&T Communications, and that for the usage portion of either type call, USLD should be required to charge intrastate rates no higher than the intrastate rates charged by AT&T Communications at the time such call is completed.

8. While the Commission is conscious of the need for resellers to adjust rates and charges timely to reflect the forces of economic competition, rate and tariff adjustments below the maximum levels should not be accomplished without notice to the Commission and to the public. The Company shall incorporate provisions for filing rate changes and publication of notice of such changes two weeks prior to the effective date of such changes, and affidavits of publication must be filed with the Commission. Any proposed increase in the maximum rate level reflected in the tariffs of the Company, which should be applicable to the general body of subscribers, would constitute a

general ratemaking proceeding which would be treated in accordance with the notice and hearing provisions of the S.C. Code Ann. §58-9-540 (Cum. Supp. 1990).

9. An end user should be able to access another interexchange carrier or operator service provider if they so desire.

10. That USLD should be allowed to incorporate in its tariff a surcharge for operator-assisted and calling card calls not to exceed \$1.00 for calls originated at hotels and motels and customer-owned pay telephones only if said property owners have not added said surcharge already. That is, the Company may not add an additional surcharge to calls originating at hotels and motels and customer-owned pay telephones if such a surcharge has already been added by the property owners. If such charge is applied however, it should be paid in its entirety to the customer by USLD.

11. That USLD should be required to provide "tent" cards to hotels and motels for placement next to guest telephones identifying it as a provider of operator service for intrastate interLATA distance calls; and that USLD operators should be required to brand all calls identifying USLD as the carrier for such call.

12. That USLD should be required to furnish pay telephone owners with a sticker or information piece to be affixed to the telephone instrument by which its service may be accessed identifying the operator service as being provided by USLD and

indicating the rates charged for its service or the method for obtaining rate information.

13. The Company may only use such underlying carriers for the provision of intrastate telecommunications service as are certified by this Commission to provide such service and the Company will notify the Commission in writing as to its underlying carrier or carriers and of any change in its carrier.

14. That USLD should be authorized to provide intrastate interLATA service through the resale of Wide Area Telecommunications Service (WATS), Message Telecommunication Service (MTS), Foreign Exchange Service (FX) and Private Line Service, or any other service authorized for resale and reflected as such in tariffs of facilities-based carriers certificated by this Commission.

15. The Company is subject to any applicable access charges pursuant to Commission Order No. 86-584 in which the Commission determined that the reseller should be treated similarly to facility based carriers for access charge purposes.

16. The Company is required to file on a yearly basis surveillance reports with the Commission as required by Order No. 88-178 in Docket 87-483-C. The proper form for these reports should be Attachment A, attached hereto and incorporated by reference herein.

17. That USLD should file tariffs in accordance with the findings herein within thirty (30) days of the date of this Order.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)